

Issuance of Letter of Comfort (LoC)

- PFC can issue Letter of Comfort (LoC) for all sanctions of term loan where Letter of Credit (LC) opening is a requirement under EPC/Equipment Supply contract to enable the borrower to open LC with its bankers.
- PFC shall issue LoC against sight LC and the LoC shall not be sanctioned for a period beyond SCOD.
- However, PFC on case to case basis, may agree to request of the borrower for availing Usance LC, provided the same shall not be utilized for availing Buyers Line of Credit (BLC)/Suppliers' Credit (SC) /Buyers Credit (BC) or similar arrangement/ mechanism against such LoCs.
- Maximum exposure towards all LoCs shall be 50% of PFC's network.
- Applicable charges and other specific conditions for issuance/extension of LoC shall be per PFC's policy as modified from time to time.
- An online facility has been provided on PFC's website for LC issuing Banks to check the details of LoC issued by PFC